

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	AA
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		



DYNAVOX INDUSTRIES LTD.

(FORMERLY KNOWN AS DYNAVOX ELECTRONIC LTD.)

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Annual Report 1997-98

CERTIFIED TRUE COPY
For DYNAVOX INDUSTRIES LTD.,


Managing Director

Fifteenth Annual Report 1997-98

BOARD OF DIRECTORS

W. T. BALAJI	Managing Director
K. K. SUBRAMANIAN	Director
M. K. JAIN	Director

AUDITORS

Shankarlal Jain & Associates, Mumbai.

BANKERS

State Bank of Hyderabad
The Karnataka Bank Ltd.
SBI Commercial & International Bank Ltd.
Indian Overseas Bank

LEGAL ADVISOR(S)

K. Parthasarathy

COMPANY SECRETARY

N. S. BILGI

REGD. OFFICE

115 T. V. Industrial Estate, 248, S. K. Ahire Marg, Worli, Mumbai 400025.

DIVISIONAL OFFICES

Delhi Branch : 408, Devika Towers, 6 Nehru Place, New Delhi 110 019.
Madras Branch : 30, 1st Main Road, C.I.T Nagar, Madras- 600 035.
Calcutta Branch : Shivam Chambers, 4th Floor, 53, Syed Amir Ali Avenue, Calcutta 700 017
Hyderabad Branch : G-9, Amrutha Ville, Raj Bhavan Road, Somajiguda, Hyderabad 500 482.

REGISTRARS & TRANSFER AGENTS

Spectrum Corporate Services Ltd.
Shree Ganesh Industrial House, 1st floor, 'B' wing, Near Amar Cinema,
Waman Tukaram Patil Marg, Chembur, Mumbai - 400 071.

DAY, DATE AND VENUE OF AGM

Thursday, 31st December, 1998. at 10.30 a.m.
Sri Shanmukhanand Fine Arts & Sangeetha Sabha, Plot No. 292,
Jayaskankar Yagnik Marg, Mumbai - 400 022

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UNCLAIMED DIVIDEND

Attention of Member's is invited, i.e. member's who have not received dividend for the previous year(s) 1994-1995, 1995-1996 and 1996-1997 are requested to inform the Company immediately to claim the dividend.

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NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the Members of Dynavox Industries Ltd. will be held at Sri Shanmukhanand Fine Arts & Sangeetha Sabha, Plot No. 292, Jayaskankar Yagnik Marg, Mumbai - 400 022 on 31st December 1998 at 10.30 a.m. to transact the following business.

ORDINARY BUSINESS:

1. ANNUAL ACCOUNTS & REPORTS;

To receive, consider, approve and adopt the Profit and Loss Account for the period ended 31st March 1998, Balance Sheet as at 31st March, 1998 and the Reports of the Directors and Auditors Report annexed thereto.

2. DIVIDEND;

Directors have not recommended any dividend for the year.

3. DIRECTOR(S)

To appoint a Director in place of Mr. M.K. Jain who retires by rotation and being eligible, offers himself for reappointment.

4. STATUTORY AUDITORS;

To re-appoint the Auditors to hold office from the conclusion of this Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

5. BRANCH AUDITORS;

To authorise the Board of Directors of the Company to appoint Branch Auditors for Company's Divisional Offices located at Calcutta, Madras, Delhi, Hyderabad and any other branches if any and to fix the remuneration of Branch Auditors.

By Order of the Board of Directors

Regd Office:

115, T. V. Industrial Estate 248, S.K. Ahire Marg,
Worli, Mumbai - 400 025.

Dated : 7th December, 1998

W.T. BALAJI
Managing Director

NOTES :-

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members and Transfer Books of the Company will remain closed from 31st December 1998 to 5th January 1999, (both days inclusive), Record date being 31st December 1998.
3. Change of address details should reach the Registrars of the Company on/or before the 31st December 1998 to enable the Company to give effect to such documents.
4. The following documents will be available for inspection for the members of the Company at the Registered Office of the Company between 11.00 a.m. and 4.00 p.m. on any working day of the Company from the 7th December, 1998 upto 5th January, 1999.
5. Balance Sheet and Profit and Loss Account for the year ended 31st March, 1998.
6. Copy of Auditor's Report for the year of M/s Shankarlal Jain and Associates, the Statutory Auditors of the Company.
7. Copy of Directors' Report for the year 1997-98.
8. Copy of the Memorandum and Articles of Association of the company.

By Order of the Board of Directors

W.T. BALAJI
Managing Director

Regd Office:

115, T.V. Industrial Estate, 248, S.K. Ahire Marg,
Worli, Mumbai - 400 025.

Dated : 7th December, 1998



DYNABOX INDUSTRIES LTD.
(FORMERLY KNOWN AS DYNABOX ELECTRONIC LTD.)

DIRECTORS' REPORT

The Members

Your Directors have pleasure in presenting their Fifteenth Annual Report alongwith Audited Accounts for the year ended 31st March 1998.

FINANCIAL RESULTS & REVIEW OF PERFORMANCE.

	(Rupees in Lacs)	
	1997-98	1996-97
Income from operations		
(inclusive of exports & other Income)	4468.29	4329.22
Profit before Finance cost		
Depreciation and Tax	259.02	306.11
Less: Finance cost	258.99	205.29
Less: Depreciation	25.92	39.18
Profit before Tax	(25.89)	61.64
Less: Provision for Taxation	8.00	38.00
Profit after Tax	(33.89)	23.64

REVIEW OF BUSINESS OPERATIONS OF THE YEAR 1997-98

Despite depressive conditions prevailing in the market during the year under review, all the main business operation of the Company i.e. Marketing and Servicing of Office Automation and Telecom communication products fared to the satisfactory level. The liberalised policies announced by the Central Government has contributed for increase in the competition and resulting in drastic reduction of selling prices and margins.

During the year, due to unfavourable conditions continuing in the market, non realisation of receivables increased interest cost, the profitability of the Company has been affected to a considerable extent.

The Company's management has made all efforts to implement the business plans as mentioned in the prospectus released during the Public Issue and has taken some strategic decisions to implement new plans in the year 1999.

PRODUCT PROFILE

In addition to our existing range of products Copiers & FAX with Overseas Association, the current ranges will be upgraded taking into consideration the following :

Better Margins.

Upgraded Technologies and Strong Overseas Association for technical support.

Reviewing the above products available for the year 1998-99, the introduction of new products taking into account various marketing needs for quick delivery in terms of Sales, funds realisation and new customer profiles.

TECHNICAL COLLABORATION ARRANGEMENT

The Dynavox has technical and marketing collaboration arrangements with the following foreign Companies :

Hyundai Of South Korea.

The Dynavox MOU with Hyundai for selling and servicing their Telecommunication products including their economy fax models, Cordless Phones, Colour Monitors & CB Radios.

Kenwood, Japan;

The Dynavox has an association with Kenwood, Japan (the Company earlier was the Nation-wide Authorized Service Agents for the top of the line Kenwood Audio Equipment) for marketing their VHF/UHF transreceivers manufactured in India by Punwire(l) Ltd.

Technology & Product sourcing MOU with

Telecom Technology Ltd., Hongkong, for giving the necessary support to source our well defined new generation product range.

Comytel, U.S.A. DYNABOX has negotiated for range of Telephone Answering machines. The basic models have been test marketed with successful results. The product is in association with Comytel, U.S.A.

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Bell South Western (Canada)

The range of high power cordless phones with basic models and for the first time introduction in our country of cordless phones with Digital Answering machine built in. This range of products are in association with manufacturer of BELL South Western Products (Canada).

Smith Carona (U.S.A.)

Dynavox is also being associated with **SMITH CARONA (U.S.A.)** for SOHO (Small Office Home Office) equipment's targeted specially at high profile professionals to operate their own office but need highly featured oriented latest technology equipment.

NEW PROJECTS

Barclay Association Corp., Tokyo

Multi Media Colour Monitor : For reorganising of our existing Colour Monitor project.

Considering the expanding growth of computers into multi media area Dynavox has association with Japan based company for multi media 15" high resolution monitor which are our next generation products called for growing computer users. This is in association with **Barclay Association Corp., Tokyo, Japan.**

Initially these models will be imported in Dynavox brand name and subsequently as a part of our colour monitor project. These will be assembled locally in India possibly by the end of the current financial year.

The ECB fund arrangements are being made for finalising the colour monitor and other new project.

Needle Incinerator Corp., UK : Medical Electronic products.

Entry in super high demand Medical Electronic product, "Needle Incinerator".

Dynavox is tied up Rahan Telecom, Global associates of NIC (Needle Incinerator Corp., UK) whose product "Needle Incinerator" is having a world-wide patent for safely disposing needles which may carry contamination of Aids / Hepatitis after use.

This project has been approved by FDA (Food & Drug Admn., USA) and has the support of WHO (World Health Organisation) who are willing to fund the project for distribution in various developing countries.

"N-SAT" :

Dynavox is launching a new Division "National School of Advance Technology", (N-SAT) with the objective of providing professional technical training in Servicing Office Automation Products like Copiers, FAX, EPABX etc. to Fresh Diploma holders from Technical Institutes.

The project is being launched in BOMBAY during January, 1999 and later in CALCUTTA, DELHI and MADRAS.

The objective of this is to provide "service engineers" with practical experience, to the Telecommunication & office automation industry also for our own in house Expansion of Service Operation Nationally.

EXPORT TRADE DIVISION

The performance of this division during the year 1997-98 was also affected due to recessionary trends prevailing in the trade and also due to inordinate delay in realising the Export Sales Proceeds. Considering the benefits available, the

management is planning to step-up the turnover and also the margin on export trade during the current year.

DIVIDEND

In view of the losses incurred by the Company during the year, the Directors have not recommended any dividend disbursement for the year.

CHANGE IN THE NAME OF THE COMPANY

The change in name of the Company to 'DYNAVOX INDUSTRIES LTD' was considered unanimously at the 14th AGM of the company and the Registrar of Companies in Maharashtra issued approval to the change of name on 23rd January 1998.



DYNVOX INDUSTRIES LTD.

(FORMERLY KNOWN AS DYNVOX ELECTRONIC LTD.)

FIXED DEPOSIT

During the year under review, the Company has accepted the Fixed Deposit from Public to part finance its Working Capital requirements. The Company has complied all the provisions of Company's Act 1956 and also the provision of the Company's Acceptance of Deposits Rules, 1975 and there are no overdue deposits outstanding as of 31st March 1998 other than unclaimed deposits amounting to Rs. 82,000/-.

DIRECTORS

Mr. M. K. Jain, Director of the Company retires by rotation and being eligible offers himself for reappointment.

AUDITORS

M/s. Shankarlal Jain and Associates, the Statutory Auditors of the Company will retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

BRANCH AUDITORS

Directors wish to recommend the appointment of Branch Auditors for its Regional/Divisional office located at Delhi, Calcutta, Madras, Hyderabad and Mumbai.

NOTES TO ACCOUNTS & COMMENTS OF STATUTORY AUDITORS

Adequate explanations on the comments of the Statutory Auditors have been provided and clarified in the notes to Accounts, forming part of Annual Accounts for the year under review and efforts are being made to comply all the requirements stipulated by the Statutory Auditors in their report.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information in accordance with provisions of section 217(1)(e) of the Companies Act 1956, read with Companies (disclosures of particulars in the Report of Board of Directors), Rules 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and out-go is given in Annexure I forming part of the report.

PERSONNEL

Information as required under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975, Annexure II forms part of the Report.

MANAGERIAL REMUNERATION

Provision for commission, payable to the Managing Director has not been provided during the year.

BANK BORROWINGS

The Company's management is arranging to bring in additional funds to increase the promoters contribution and to repay the outstanding loans to the Banks.

STOCK AUDIT

The company's management has taken steps to implement all the recommendations made by the Stock Auditors in their report submitted to our bankers.

ACKNOWLEDGEMENTS

Directors wish to place on record their profound appreciation for the co-operation extended by Contractors, Suppliers, Bankers, Financial Institutions & Business Associates of the Company.

For and on behalf of the Board of Directors

W. T. BALAJI
MANAGING DIRECTOR

Regd Office :

115, T.V.Industrial Estate,
248,S.K.Ahire Marg,
Worli, Mumbai - 400 025.

Dated : 7th December 1998.

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ANNEXURE I

INFORMATION AS REQUIRED UNDER SECTION 217(1) (e) OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 & FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1998

A. CONSERVATION OF ENERGY : Energy Conservation measures taken.

The Company is engaged in marketing and servicing, Office automation and telecommunication products nevertheless Company's management attaches due importance for conservation of energy for the purpose of regular and preventive maintenance of electrical equipments and prompt measures are undertaken by the Company. The various steps taken up for energy savings include better control over electricity consumption, using of energy saving equipments and effective installations in service centres. Periodical survey is being made to identify new methods for efficient use of energy and its utilities in providing efficient service to Company's customers.

B. TECHNOLOGY ABSORPTION : Your Company has already absorbed the state of the art technology in servicing the office automation and telecom products. This has helped the Company to extend a quality services to its Customers and also increase revenue income from its services.

C. FOREIGN EXCHANGE : The information on foreign exchange earning and outgo are contained in notes to the accounts forming part of accounts for the year.

For and on behalf of the Board of Directors

Mumbai : 7th December, 1998

W. T. BALAJI
Managing Director

ANNEXURE II

INFORMATION AS REQUIRED UNDER SECTION 217-2(A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) (AMENDMENTS) RULES, 1994, AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31.3.1998.

Name, Age & Qualification	Designation Nature of Duties	Date of Commencement	Gross Remuneration	Last Employment
W. T. BALAJI 60 Years B.S.C(Hon's)	Whole Time Managing Director	3rd November 1982	Rs. 335309/-	M/s.EMI(U.K) (Parent Company) of M/s.GCL India Ltd.

Notes : 1. Nature of Employment is contractual. 2. None of the other Directors are interested in the said contract excepting the Managing Director. 3. Remuneration includes Salary, Commission and other Monetary benefits and perquisites as stipulated in the agreement dated 14th June 1994 and the resolution passed at the Extraordinary General Meeting held on 14th June 1994.

For and on behalf of the Board of Directors

Mumbai : 7th December, 1998

W. T. BALAJI
Managing Director